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How to sample nonsubscribers by mail to grow circulation

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One of the advantages of being eligible for in-county postage rates is the ability to use those rates to grow a newspaper's paid circulation, improve market penetration and increase value to advertisers.

The January 1999 postage rates make it even more lucrative to use your in-county "sampling" privilege to encourage new subscribers. Use of the "nonsubscriber copy" rules also helps grow in-county volume, which is important to maintaining future success in keeping in-county rates low.

The National Newspaper Association's success in the last rate case created a much lower high-density piece rate of 2.0 cents in-county, and changed the eligibility from 125 pieces to just 25 percent of active possible deliveries. Newly qualified copies will pay 34 percent lower postage. Even the basic carrier route (six or more) dropped one-tenth of a cent to 4.3 cents. And if you choose to sample all patrons on a route, the saturation piece rate for 90 percent of households is now just 2.5 cents, or 32 percent lower.

As NNA postal chair, I receive lots of calls about how to sample correctly and how to defend postal "revenue deficiencies" when the rules are violated. The subject is widely misunderstood, even within the Postal Service.

Many publishers still think newspapers may sample 10 percent of their total poundage in a year. Wrong. That was changed in the 1980s as a result of revenue forgone battles with Congress.

Now, nonsubscriber copies at in-county rates may be sent to 10 percent of in-county SUBSCRIBER COPIES mailed in a calendar year (Domestic Mail Manual 700.7.9.3). To estimate your sampling entitlement, multiply the number of in-county subscriber copies at lines 51 and 52 (added together) by the number of issues per year; then take 10 percent of that. Note: Requester periodicals, which pay regular (out-of-county) rates only, are not eligible to sample at in-county rates.

If the county had 10,000 postal patrons (and your newspaper had 40 percent mail penetration) you could sample all non-subscribers three times ($6,000 \times 3 = 18,000$) and still have 2,800 copies left for other miscellaneous sampling at in-county rates.

Editor's note: Here's how Max got that number: 4,000 circulation x 52 weeks equals 208,000 total copies in-county. Take that times 10 percent and you get 20,800 total copies that could be sampled at

in-county rates. Since there are 6,000 non-subscriber addresses, you could sample three times (18,000) and have another 2,800 for additional sampling.

Some people prefer to sample a postal route for two to four weeks with an offer enclosed. Others prefer countywide samples, drawing additional advertiser support while enclosing a subscription offer. Others solicit "Requested Samples" from new residents and others who want to try the paper for up to four weeks free.

When sampling an entire rural route, you may use "simplified address" such as "Postal Patron" printed on a label or on the paper. You are NOT required to duplicate a subscriber copy on that route. NNA can provide Postal Service rulings to that effect. City routes still require an addressed copy to all patrons.

When mailing within the 10 percent sampling entitlement, the copies don't have to be part of the same mailing to regular subscribers. They may be prepared as a stand-alone periodical presort mailing.

Requester periodicals, or newspapers wanting to send nonsubscriber copies outside their county, can mail up to 10 percent of the annualized TOTAL subscriber copies (requester of $5,000 \times 52 \times .10 = 26,000$). Per example above, if 20,800 were sent at in-county rates, another $1,000 \times 52 \times .10$, or 5,200, could be sent at regular rates without having to mail them along with subscriber copies.

But if you commingle (include in a presorted mailing that includes subscriber copies, even as few as two or three) the story is entirely different. In this case, the number of copies is limited only by the "50 percent" paid rule. In our example a total of $5,000 \times 52 - 1 = 259,999$ nonsubscriber copies that may be mailed, within a maximum of 20,800 at in-county rates.

Postal people often tell newspapers they can't exceed the 50 percent paid rule in any one mailing. Generally, no single issue can be distributed to more non-subscribers than total paid. But there is one exception. To assist publishers in sampling, the 10 percent nonsubscriber rule has been interpreted to allow the publisher to concentrate all the copies in one issue, if needed, so individual issues may exceed the 50 percent rule.

Newspapers must still ensure that the total number of nonsubscriber copies over the course of the calendar year does not exceed the total number of paid copies distributed. (The 50 percent paid rule effectively allows newspapers to almost double their circulation by using nonsubscriber copies, but paying regular rates for all above 10 percent in-county).

Remember that under *no* circumstances can a publisher mail more than 10 percent of in-county subscriber copies (20,800 in example above) to nonsubscribers at *in-county rates* for the entire calendar year regardless of how they are spread across issues.

Remember also that since the number of subscribers changes from issue to issue, you are actually working against the real annualized number, not an estimate as demonstrated. You should keep a running total of in-county subscriber copies per issue (and regular rate if sampling those) and divide by the number of issues (104 for semi0weekly; 156 tri-weekly, etc.) for a true calculation.